

READING FILE.

Service Date: June 18, 1981

FINAL ORDER NO. 4819

DEPARTMENT OF PUBLIC SERVICE REGULATION
MONTANA PUBLIC SERVICE COMMISSION

In the Matter of the Application of)
Consumers Gas Company to Increase)
Natural Gas Rates.)

UTILITY DIVISION
DOCKET NO. 81.4.43
ORDER NO. 4819

* * *

APPEARANCES

FOR THE APPLICANT:

Richard F. Gallagher, Esquire, P.O. Box 1645, Great Falls, MT
59403

FOR THE PROTESTANTS:

John C. Allen, Esquire, 34 West Sixth Avenue, Helena, MT 59601

FOR THE COMMISSION:

Robert F. W. Smith, Staff Attorney, 1227 11th Avenue, Helena
MT 59620

BEFORE:

GORDON E. BOLLINGER, Hearing Examiner

The Examiner, having taken evidence and being fully advised
in the premises, makes the following findings, conclusions and
order:

FINDINGS OF FACT

1. On April 23, 1981, the Montana Public Service Commission received the Application of Consumers Gas Company (Applicant) to increase natural gas rates. The Applicant sought to increase rates to yield approximately \$37,100 in additional annual revenues. This increase was caused by supplier Treasure State Pipeline Company's abandonment of 21 miles of supply line and a source of gas. (Abandonment granted--Order No. 4805).

2. A hearing was held on the Application on May 14, 1981 at 1:00 p.m. in the Marias River Electric Co-op Hospitality Room, Shelby, Montana. This hearing was held concurrently with the hearing in Docket No. 81.4.42, the Application of Treasure State Pipeline Co. to terminate the portions in question of its transmission pipeline.

3. At the May 14, hearing, Gregory B. Holt, Vice President of the Applicant, testified in favor of the Application. Public witnesses Carl Dahlen and Wayne Gillespie also testified.

4. Mr. Holt testified and introduced five exhibits; the bulk of his testimony and four of the exhibits concerned Docket No. 81.4.42. He explained that the transmission line which Treasure State seeks to terminate also connects to a small source of cheaper gas at a Hardrock Oil Co. well. Since the termination of service has been granted, the Applicant must take 100% of its gas from the Montana Power Company--at a higher price. However, the length and absence of customers on the line in question make it necessary that Treasure State abandon it (Ex. #3). Exhibit #5 detailed percentage mixes, corresponding prices and average

costs with and without the termination of the line in question. The Commission finds that the rate increase is necessary, just, and reasonable in light of the termination granted in Order No. 4805.

5. The two public witnesses were concerned mainly that they be given time to adjust to the termination of service, and thus did not address the proposed rate increase.

6. Pursuant to a stipulation on file with the Commission, all parties agreed that a Proposed Order and the 30 day waiting period was not needed in this Docket.

CONCLUSIONS OF LAW

1. The Montana Public Service Commission properly exercises jurisdiction over the parties and subject matter in this Docket.

2. The Commission afforded all interested persons notice and an opportunity to participate herein.

3. The rates approved herein are reasonable and just.

4. This is a Final Order made pursuant to stipulation of the parties and 2-4-622(2), MCA.

ORDER

NOW THEREFORE, at a session of the Public Service Commission, Department of Public Service Regulation of the State of Montana, held in its offices at 1227 11th Avenue, Helena, Montana, on the 8th day of June, 1981, there being present a quorum of commissioners,

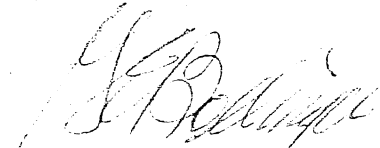
there came regularly before the Commission for final action the matters and things in Docket No. 81.4.43, and the Commission being fully advised in the premises;

IT IS ORDERED by the Commission that the application of Consumers Gas Company to increase natural gas rates by 43 cents per Mcf IS APPROVED, contingent upon the termination of service by Treasure State Pipeline Co. as approved in Order No. 4805.

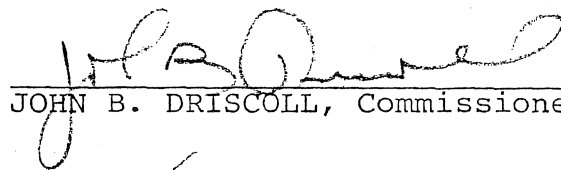
IT IS FURTHER ORDERED that a full, true and correct copy of this order be sent forthwith to the applicant and to all other appearances herein by first class United States mail.

THE FOREGOING ORDER was adopted by the Department of Public Service Regulation of the State of Montana, Public Service Commission, IN OPEN SESSION at Helena, Montana, this 8th day of June, 1981, by a vote of 5-0 .

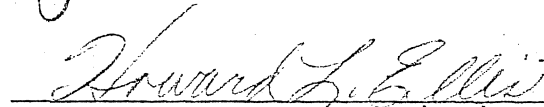
BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.



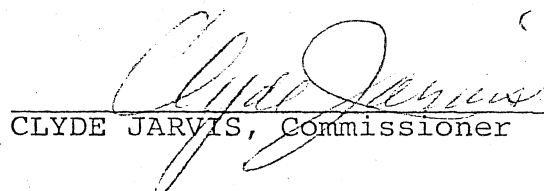
GORDON E. BOLLINGER, Chairman



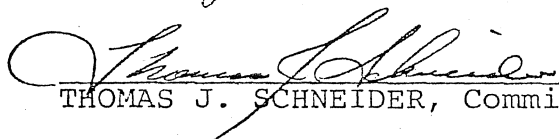
JOHN B. DRISCOLL, Commissioner



HOWARD L. ELLIS, Commissioner

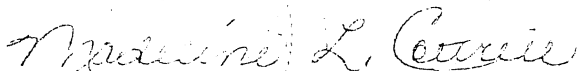


CLYDE JARVIS, Commissioner



THOMAS J. SCHNEIDER, Commissioner

ATTEST:



Madeline L. Cottrill
Commission Secretary

(SEAL)

NOTE: You may be entitled to judicial review of the final decision in this matter. If no Motion for Reconsideration is filed, judicial review may be obtained by filing a petition for review within thirty (30) days from the service of this order. If a Motion for Reconsideration is filed, a Commission order is final for purpose of appeal upon the entry of a ruling on that motion, or upon the passage of ten (10) days following the filing of that motion. cf. the Montana Administrative Procedure Act, esp. Sec. 2-4-702, MCA; and Commission Rules of Practice and Procedure, esp. 38.2.4806 ARM.